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MAR 11 1999
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

March 11, 1999

Hon. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

EX PARTE SUBMISSION
CC Docket 96-98

Dear Ms. Salas:

Pursuant to Section 1.1206(b) of the Commission's Rules, notification is given that on March 10, 1999 Tina Pyle and Dick Karre of MediaOne Group and John Logan and Robert Spangler of Wallman Strategic Consulting, LLC made an *ex parte* presentation to Carol E. Mattey, Michael Pryor and Michelle M. Carey of the Common Carrier Bureau Policy and Program Planning Division regarding the referenced proceeding. Attached are two documents that were distributed at the meeting.

MediaOne described the markets in which it operates and its need for certain unbundled network elements (UNEs) to provide its facilities-based local service in those markets. MediaOne noted that it does not need certain UNEs that a reseller of local service might need, but that it is essential that the Commission not limit essential UNEs to physical facilities and equipment. As an example of a UNE required for its operation, MediaOne described how it relies upon Local Exchange Carriers to provide its customers with Directory Assistance. MediaOne believes that in assessing what UNEs are essential, the Commission must determine whether there are reasonably available substitutes of comparable quality.

The original and one copy of this letter and its two attachments are being delivered to the Office of the Secretary. Copies of the letter and attachments are being delivered to each of the Commission employees present at the meeting.

Very truly yours,

Robert W. Spangler

Attachments

cc: Carol E. Mattey, Esq.
Michael Pryor, Esq.
Michelle M. Carey, Esq.

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List A B C D E

Unbundled Network Elements

As a facilities-based provider of competitive local residential telephone service, MediaOne operates from a position of relative independence from incumbent local exchange carriers.

Nonetheless, even though MediaOne neither resells the services of the ILECs nor recombines their unbundled network elements, it still requires a relatively short, but essential list of elements from them. Some of these elements – most obviously, interconnection trunks – are needed for interconnection.

But the list of essential elements cannot be limited to the physical facilities and equipment used to provide local exchange service. The ILECs' operating support systems, that is, their "back office" databases, contain vital information necessary for pre-ordering, ordering, provisioning, maintenance, repair and billing. New entrants, such as MediaOne, must be able to process each and every one of their customers' service orders efficiently and effectively.

Further, MediaOne believes that the "necessary" and "impair" standards associated with unbundled network elements must take into account the existence (or lack) of reasonably available substitutes of comparable quality. More specifically, if a reasonable alternative does not exist in the marketplace, then the ILECs must provide this feature, function or service as an unbundled network element. Prime examples are operator services and directory assistance.

In sum, in order to ensure meaningful local exchange competition, ILECs must provide (at a minimum) the following list of unbundled network elements:

- Interconnection Trunks
- Sub-Loop Unbundling (As Related to Multiple Dwelling Units)
- Directory Assistance
- Directory Listings
- Operator Services
- Operating Support Systems

CC Dkt 96-98

This is Broadband. This is the way.

Agenda

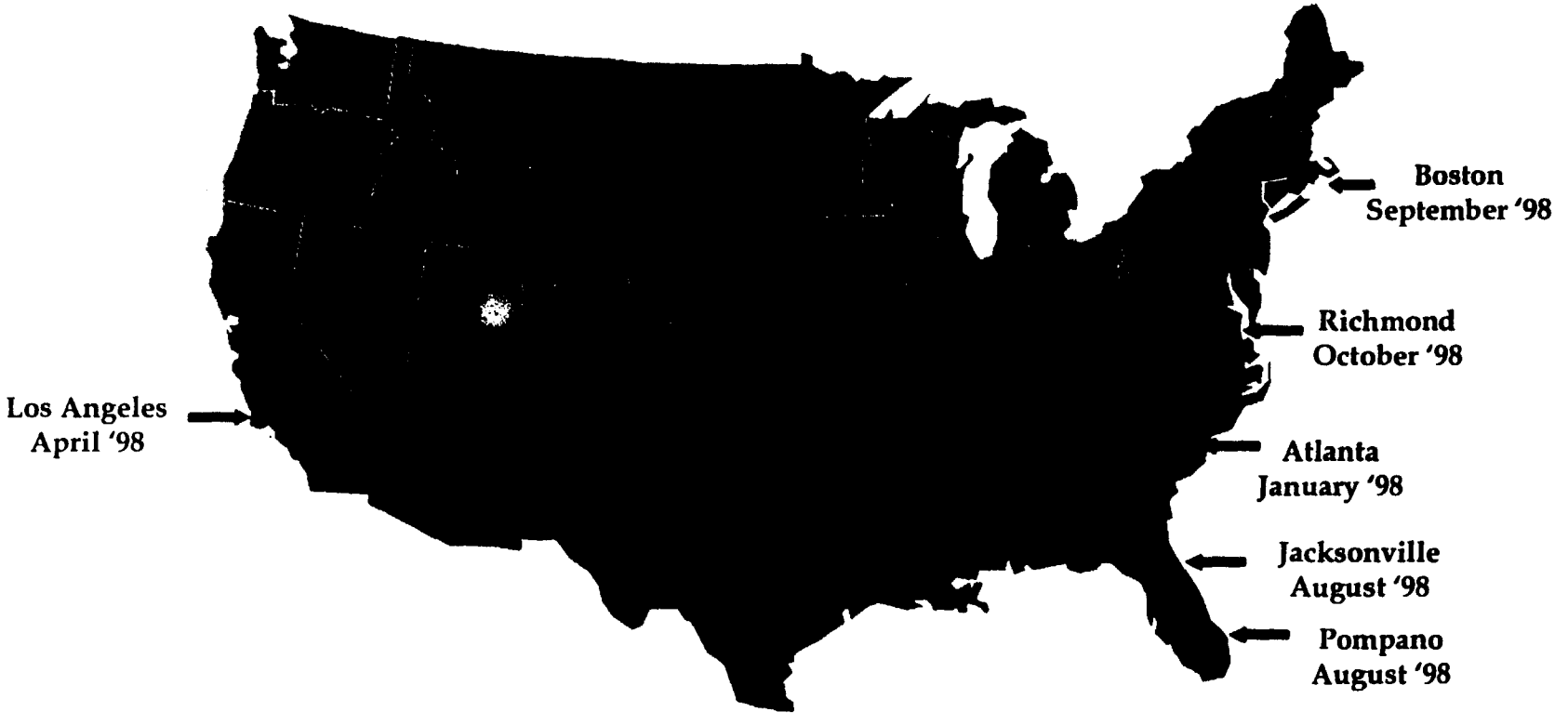
- Who We Are
- How We Provide Our Services: Our Hybrid Fiber Coax Network
- Our Digital Telephone Services
- What We Need From Incumbent Local Exchange Carriers
- Summary

Who We Are

MediaOne's Domestic Broadband Service Areas

- MediaOne is the 3rd largest broadband company in the United States:
  - 8.5 million homes passed
  - 5.0 million cable customers
  - 90% of customers in clusters of 100,000 or more
  - 8 markets with more than 200,000 customers

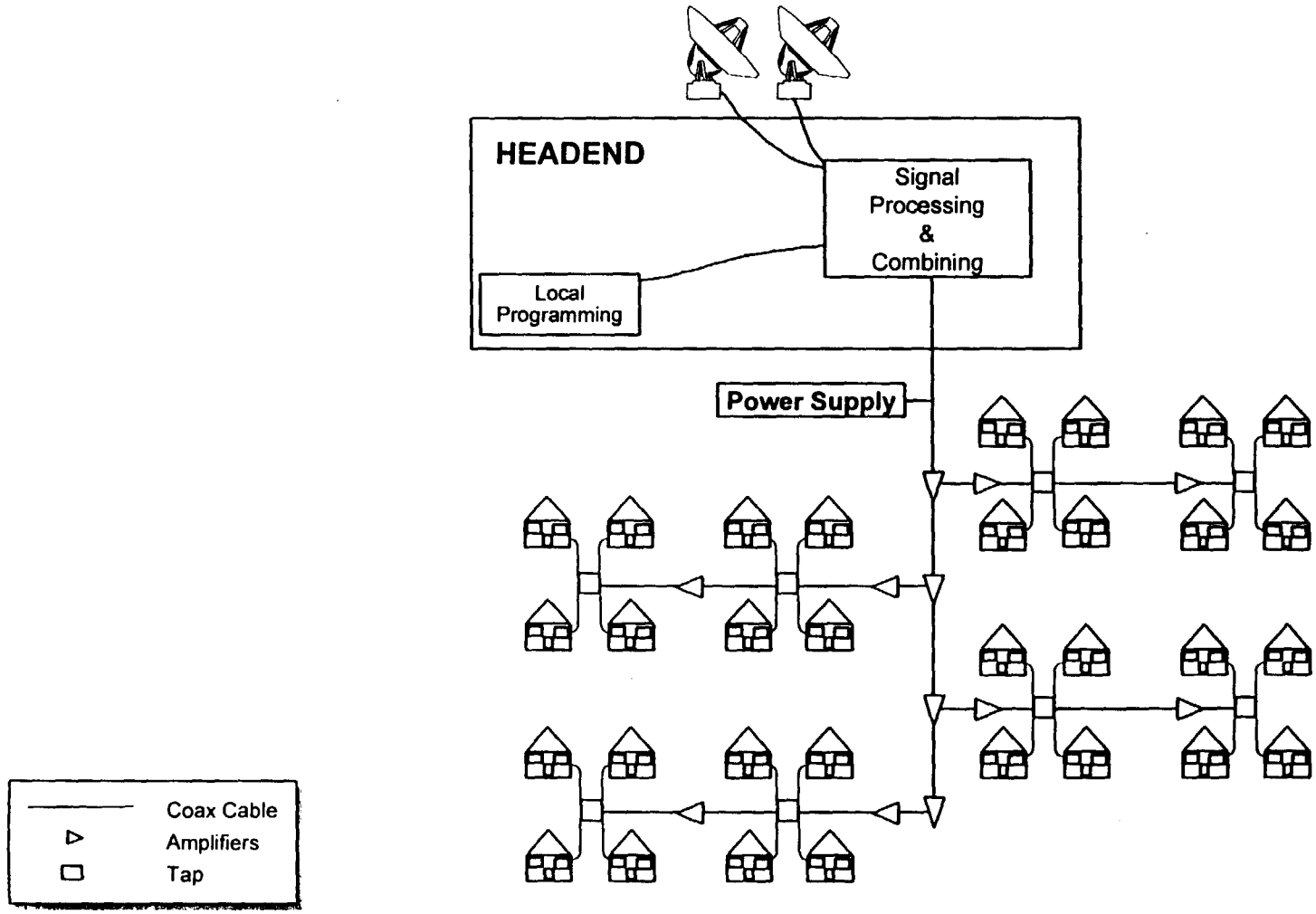
MediaOne Digital Telephone Services



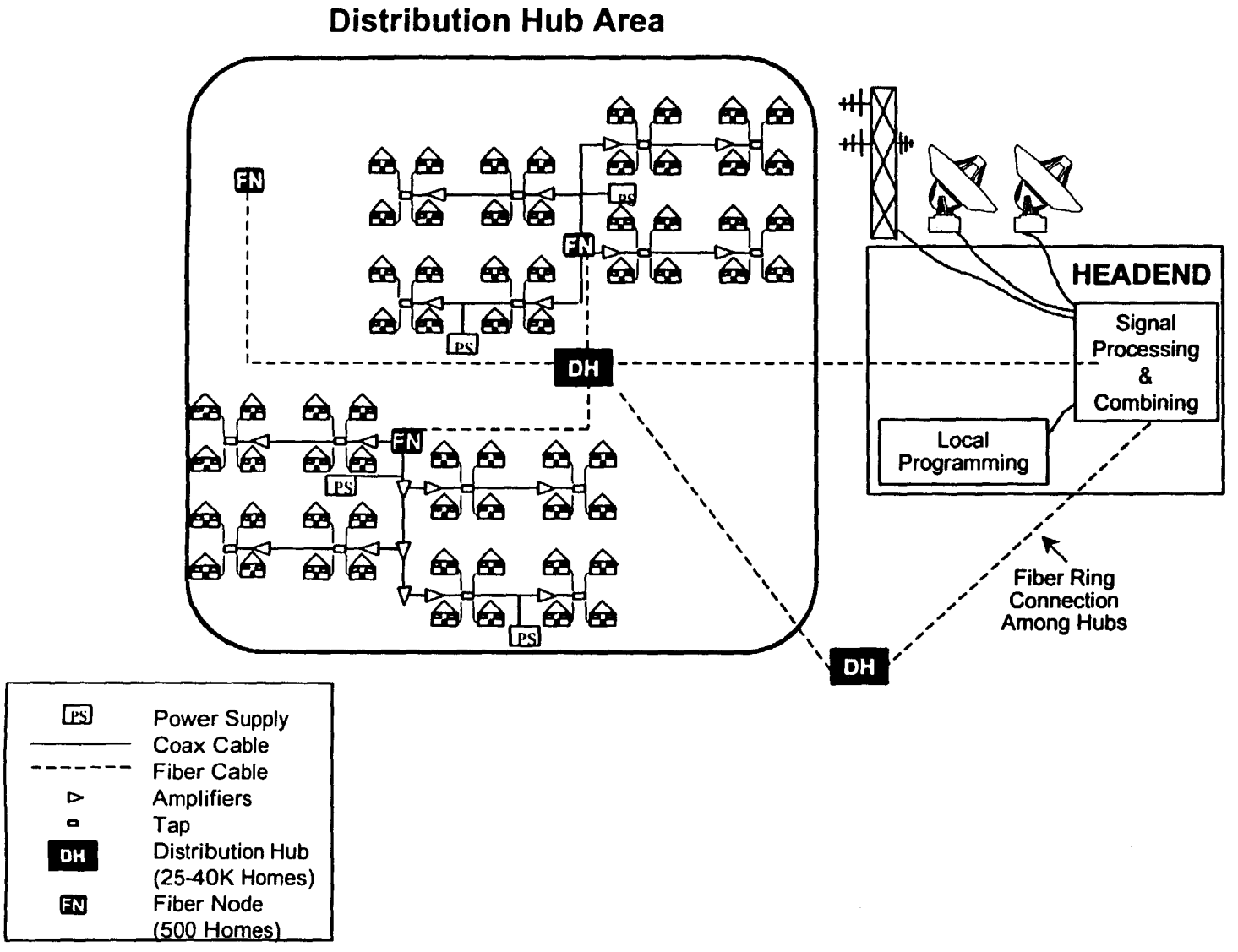
To date, MediaOne has launched facilities-based local telephone service to residential consumers in six markets: Atlanta, Los Angeles, Jacksonville, Pompano, Boston, and Richmond. More markets to come.

How We Provide Our Services: Our Hybrid Fiber Coax Network

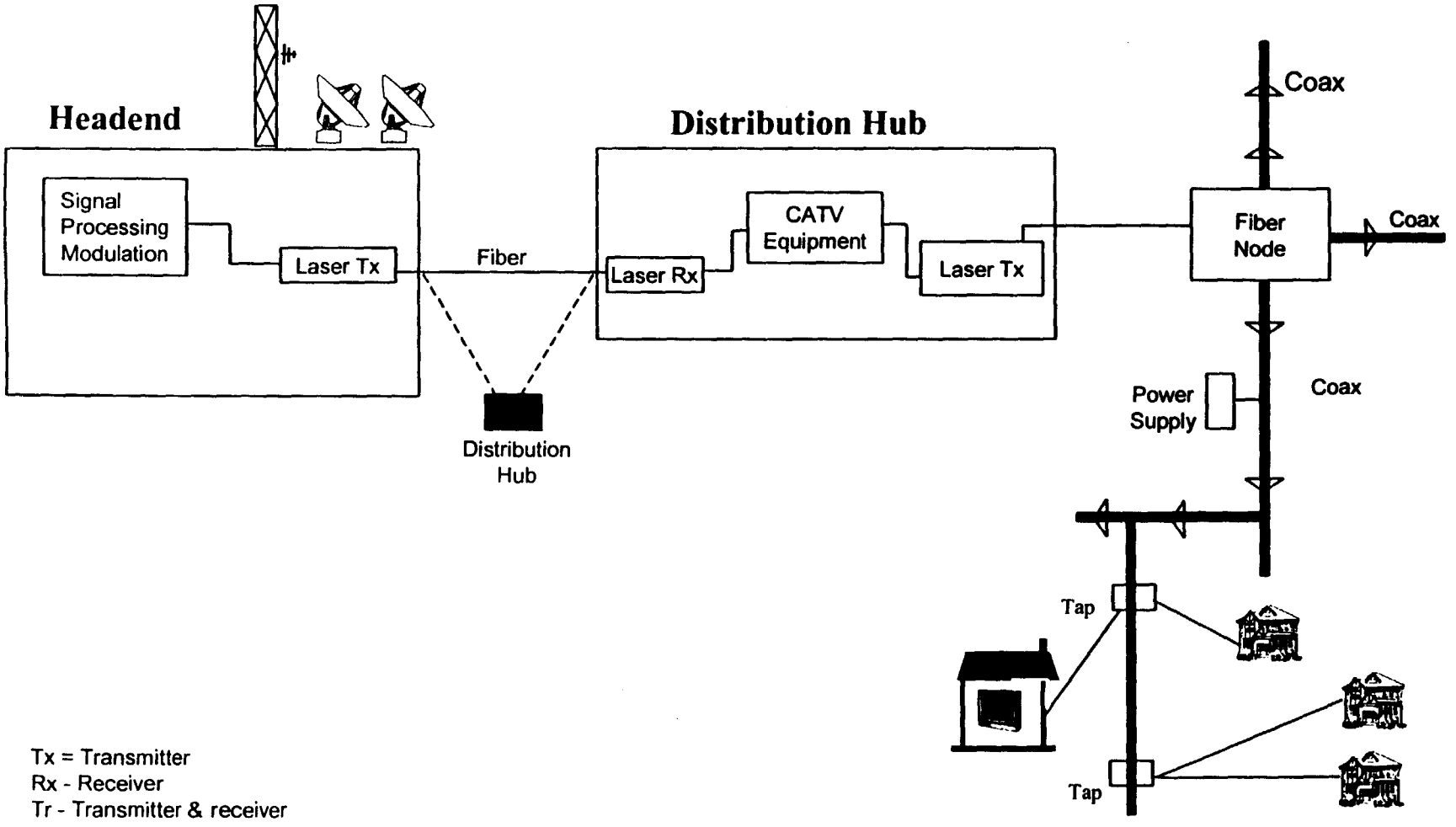
Traditional Tree-and-Branch CATV Architecture



Upgrading the CATV Network

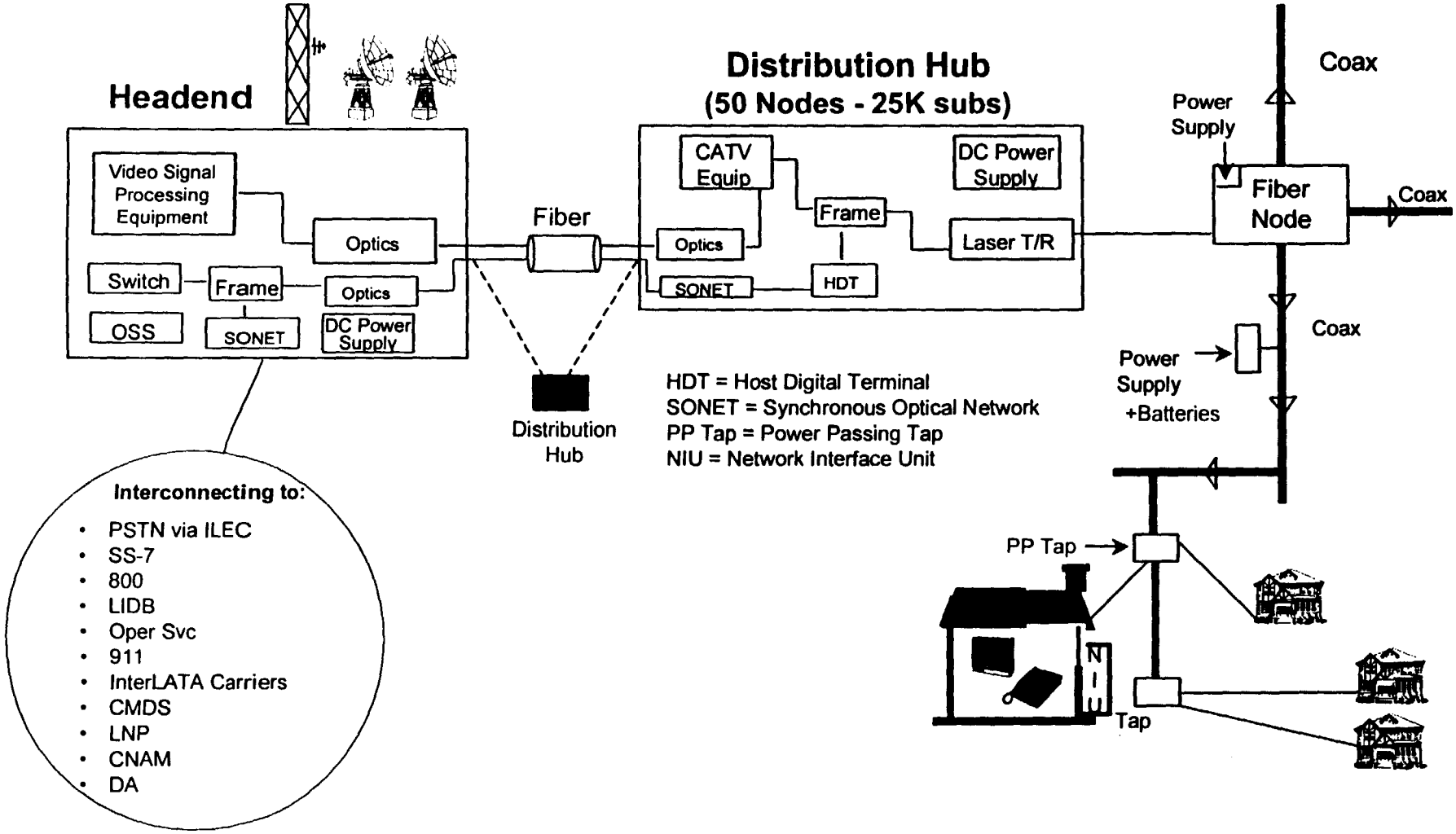


Upgrading the CATV Network
– The Basic Network –

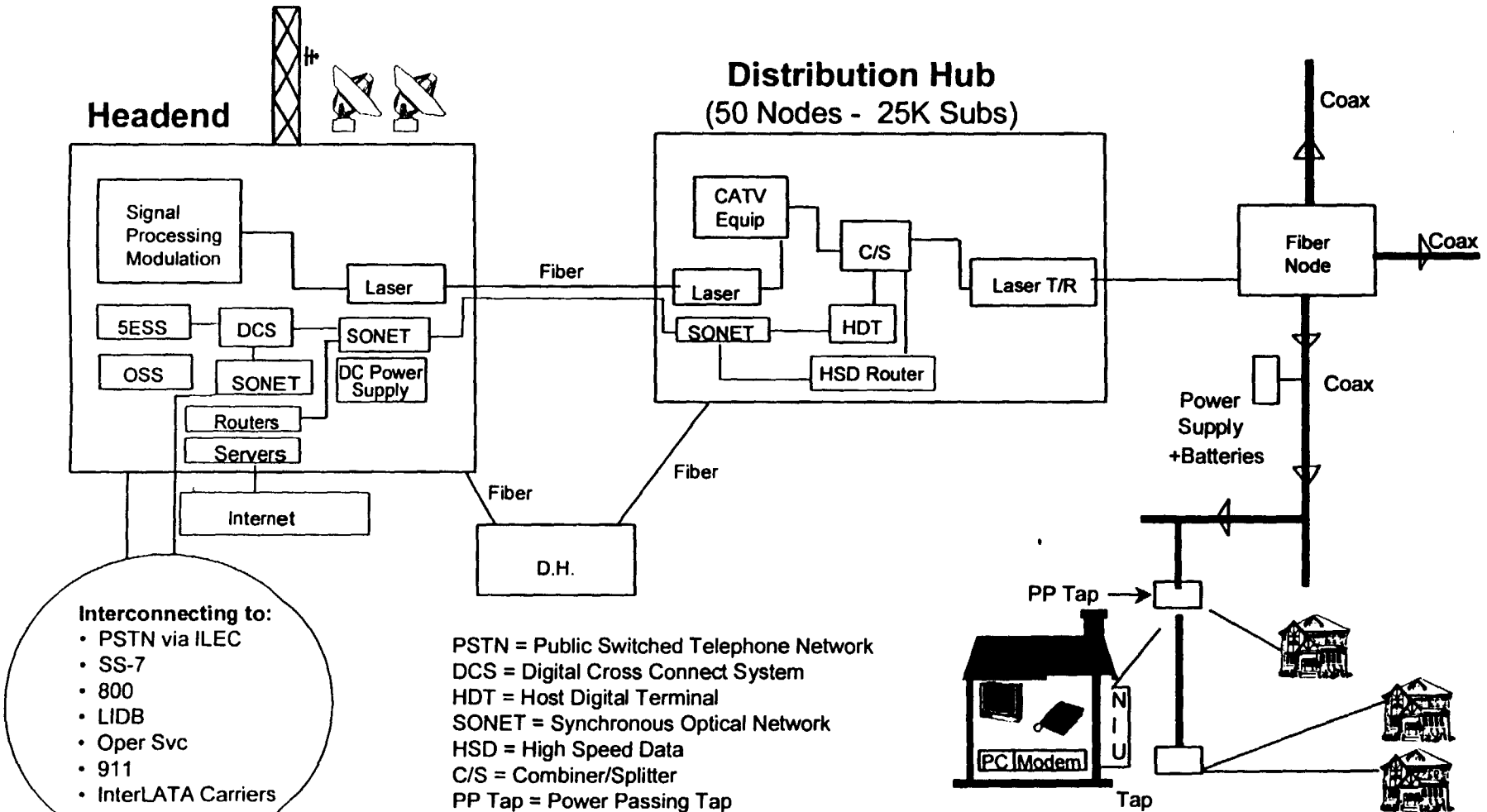


Tx = Transmitter
Rx - Receiver
Tr - Transmitter & receiver

Broadband Network Architecture Supporting Video and Telephony

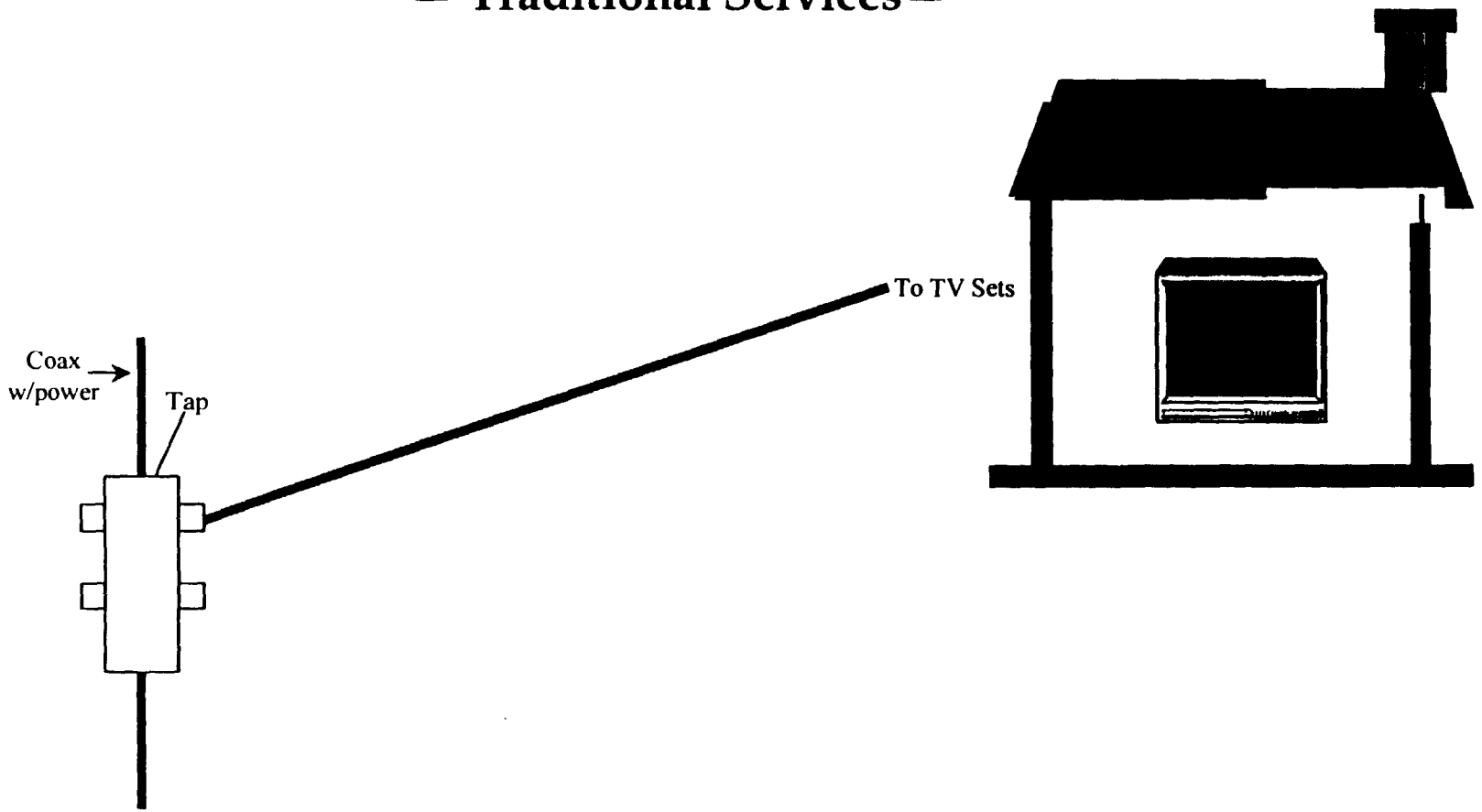


Broadband Network Architecture Supporting Video, Telephony and High Speed Data Service



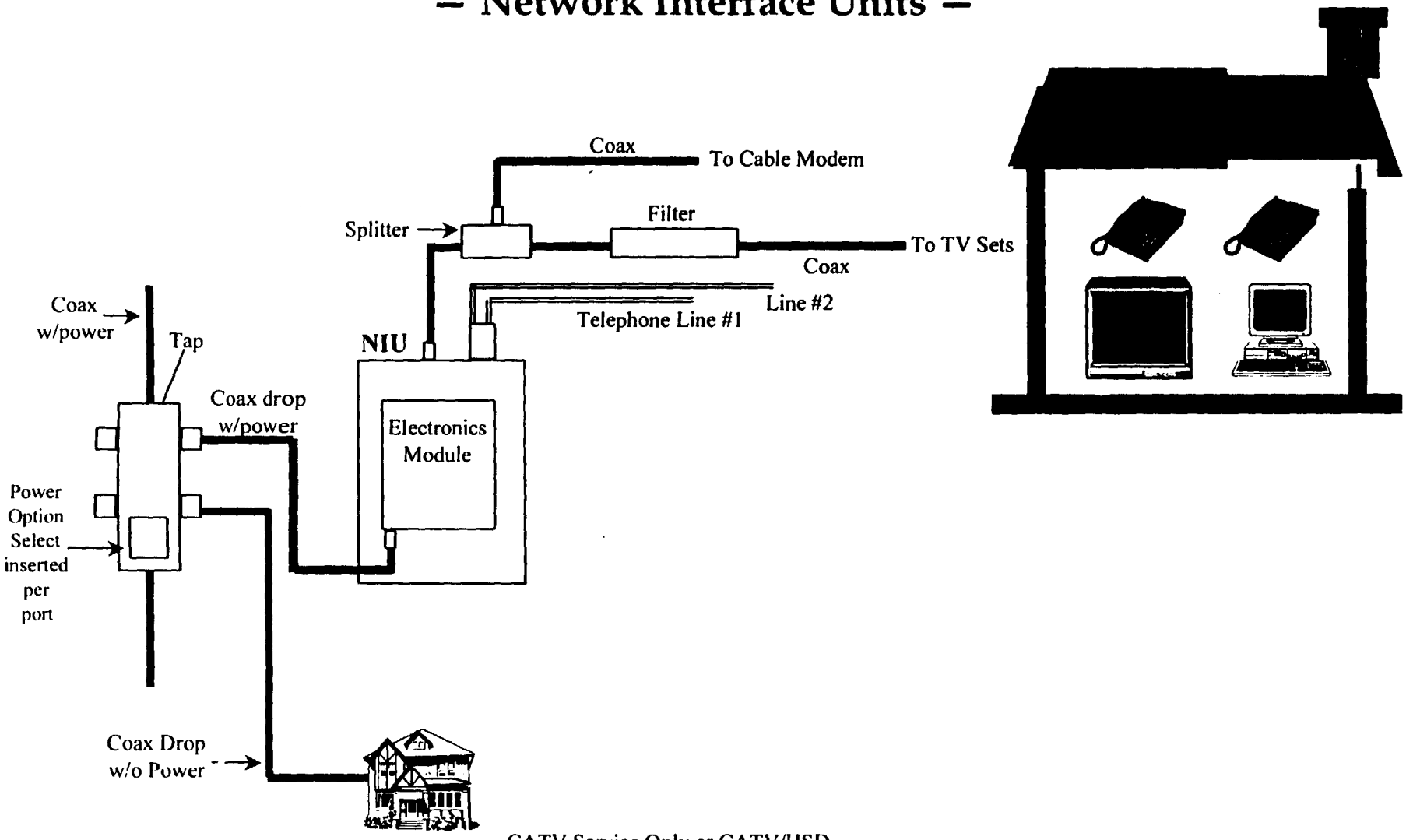
Subscriber Premises

– Traditional Services –



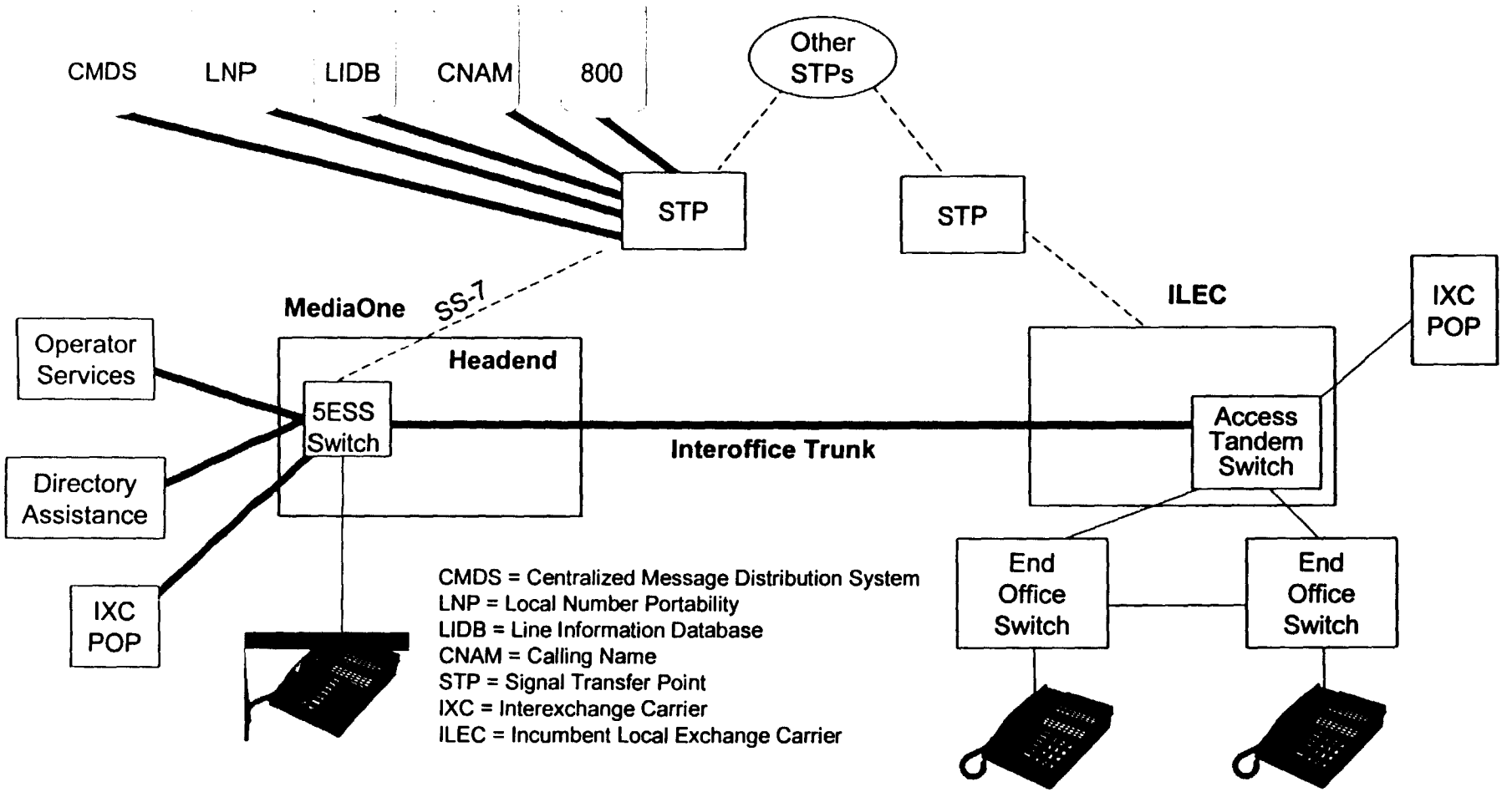
Subscriber Premises: Telephony Overlay

– Network Interface Units –



CATV Service Only or CATV/HSD

Telephone Overlay
– Interconnections –



Our Digital Telephone Services

MediaOne Digital Telephone Services
– Consumer Product Packages –

Telephone services include:

- One and two line offerings.
- Lines are equipped with Touch-tone, Custom Calling Services and CLASS features. Call Waiting, Caller ID, Last Call Return, and more are all included on the line.
- Additional products include voice mail, inside wire maintenance, operator services, and directory listings, as well as access to Directory Assistance and E-911.
- Promotional offers include free installation and one free month of service.
- A satisfaction guaranteed switch back to the prior local service provider within 30 days at no cost.
- Customers may keep their telephone numbers.

Using traditional telephone services as a foundation, MediaOne has built product packages that emphasize value, simplicity, and the power of the broadband network.

MediaOne Digital Telephone Services
– Consumer Product Packages –

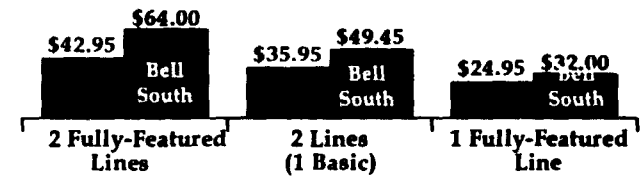
Competitively Priced Product Offering

- 2 fully-featured telephone lines
- 2 telephone lines: 1 fully-featured and 1 basic line
- 1 fully-featured telephone line
- Additional products such as voice mail, inside wire maintenance, directory assistance, operator services and directory listings
- One free month of service

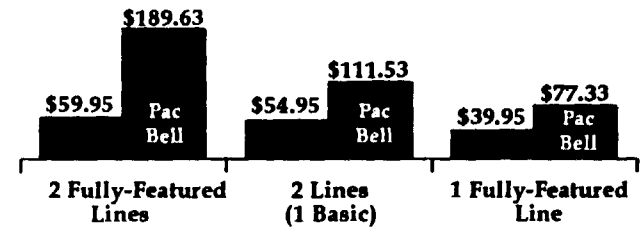
Promotional Offers

- Free installation
- Satisfaction guarantee

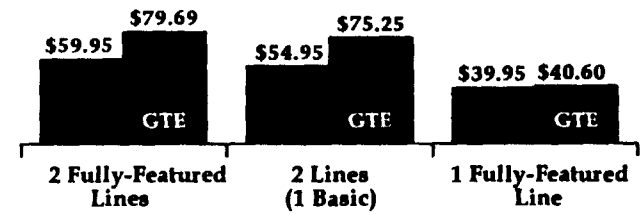
MediaOne vs. BellSouth - Atlanta



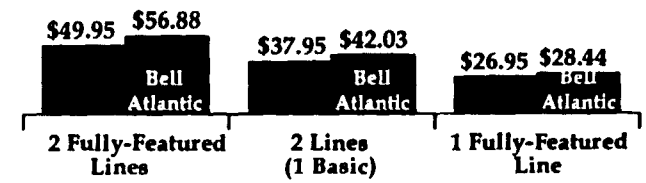
MediaOne vs. Pacific Bell - Los Angeles*



MediaOne vs. GTEC - Los Angeles *



MediaOne vs. Bell Atlantic - Richmond



* Includes 500 minutes of intraLATA calls.

What We Need From Incumbent Local Exchange Carriers

Achieving Seamless Interconnection for Consumers

- As a facilities-based provider, MediaOne Digital Telephone Services operates from a position of relative independence from the ILECs.

- However, MediaOne requires essential elements from the ILECs:
  - Interconnection of local telephone networks.
  - Interim and long-term number portability.
  - Access to wiring in multiple dwelling units.
  - Access to ancillary services.

- MediaOne also requires telephone numbers to provide service.

Connecting Consumers

Customer Calls MediaOne Service

MediaOne

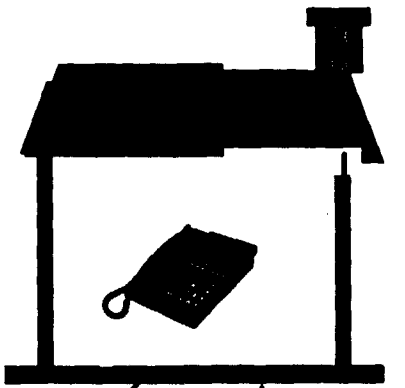
Serves Customer and Places Order

Order:

Telephone # Name Address

MediaOne Central Office and Installation Technician

5ESS Switch



Customer Can Make and Receive Calls

ILEC Order

Telephone # Name Address

IXC - 0+/1+ InterLATA

Data Bases

CNAM

LNP

Nat'l DA

LIDB

800

Directory Assistance

Local Directory Listing

E911 Agency PSAP

CMDS Network

ILEC Operator Services

What Does MediaOne Need From The ILEC When A Customer Orders MediaOne Telephone Service?

- Can MediaOne interconnect with the ILEC?
- Can MediaOne interconnect with the ILEC's signaling network?
- Can the customer's current phone number be ported?
- Can the customer get a new phone number?
- Will the ILEC provide intraLATA long distance?
- Will the ILEC cooperate in the cut-over of service?
- Does MediaOne have access to network terminating wire?
- Are two or more lines available for the MDU customer?

MediaOne is dependent upon the ILEC for essential elements.

Can MediaOne Interconnect With The ILEC?

- Trunking is critical to customer access.
  - MediaOne 's experience :
    - BellSouth: MediaOne customers experienced severe service disruptions in 8/97, 10/97 and 1/98. BellSouth's trunk group additions were delayed -- the 1st time 30 days, the 2nd time 75 days.
    - Bell Atlantic: MediaOne provides timely forecasts but still experiences Bell Atlantic delays in processing interconnection trunk groups.
    - Pacific Bell: MediaOne places trunk orders. The ILEC is slow to respond, and when it does, the dues dates are unreasonably long. MediaOne has and continues to experience frustrating delays.
    - GTE-California: The ILEC will not install trunks per MediaOne's forecasts , and is limiting MediaOne to ten trunks per tandem.
- GTE-California has had translation errors that have blocked incoming calls to MediaOne's customers. Further, GTEC does not have a sufficient staff of trained employees to handle trouble resolution. Also, GTEC does not follow agreed-upon change management process.

ILECs are not providing interconnection circuits and trouble resolution on a reasonable or timely basis.

Can MediaOne Interconnect With The ILEC's Signaling Network?

- In order for MediaOne to offer comparable service packages that include Custom Calling and CLASS services, MediaOne must be able to pass and receive appropriate messages with the ILECs.
- MediaOne 's experience :
  - Pacific Bell: When MediaOne requested message testing necessary for Custom Calling, Pacific Bell refused to cooperate for two months. MediaOne had to escalate to the California PUC.
  - GTE-California: The ILEC refused to provide message testing.
  - Bell Atlantic: The ILEC would not provide Illuminet, MediaOne's SS7 provider, with the necessary signaling parameters needed for MediaOne to implement its Caller ID Name services.

The cost to MediaOne: precious resources and business delays.

Can The Customer's Current Telephone Number Be Ported?

- Number portability is essential to meaningful facilities-based competition as customers are reluctant to switch to MediaOne if they must change telephone numbers.
- MediaOne 's experience :
  - BellSouth:
    - Under INP, the ILEC's original fax environment caused MediaOne to adopt a 7 work day installation commitment.
    - Under LNP, BellSouth-imposed a 48 hour interval to provide a FOC or discrepancy. At first, this was met about 50% of the time. MediaOne is now starting to receive electronic FOCs within 24 hours.
      - » However, LNP - clarifications are received via fax -- this typically takes 3 days. Electronic response has been promised.

Can The Customer's Current Telephone Number Be Ported?

- MediaOne 's experience (continued) :
  - Pacific Bell:
    - Under INP, many MediaOne customers were left without service when Pacific Bell worked orders improperly (e.g., orders were not released, orders were worked prematurely or were delayed).
    - Under LNP, MediaOne has experienced numerous problems with Pacific Bell from an ordering and provisioning standpoint.

Can The Customer's Current Telephone Number Be Ported?

- MediaOne 's experience (continued) :
  - GTE-California:
    - At one time, MediaOne had 80% of its LNP orders rejected by GTEC.
      - » The process has improved. However, ordering and provisioning problems caused by GTEC continue to lead to MediaOne's submission of reorders, customer service interruptions and customer complaints and cancellations.
    - GTEC missed its commitment to meet an agreed upon customer conversion schedule for INP to LNP.
    - GTEC did not provide an address verification system for many months -- now GTEC has a manual process. MediaOne must fax requests and wait 24 hours for response.
    - GTEC reassigns, to its new customers, telephone numbers that have been ported to MediaOne.

Can The Customer's Current Telephone Number Be Ported?

- MediaOne 's experience (continued) :
  - Bell Atlantic:
    - The ILEC was aware of MediaOne's launch date of 9/1/98. However, on 9/4/98, Bell Atlantic informed MediaOne that it did not have an INP billing process and MediaOne would have to reschedule its porting dates.
    - MediaOne requested variable call forwarding to smooth out the processes associated with INP. Even though Bell Atlantic's CLEC handbook includes a section on the service, MediaOne was told that it could not order it. Later Bell Atlantic said that there were "undefined" operational issues. After weeks of delay, Bell Atlantic finally agreed to offer variable call forwarding.
    - Bell Atlantic refuses to test new INP procedures.

MediaOne has had to halt its marketing efforts while ILEC number portability issues are mended. MediaOne's customers have experienced service interruptions.

Can The Customer Get A New Telephone Number?

- In the greater Los Angeles area, MediaOne's facilities cross six area codes: 213, 323, 310, 714, 626 and 562.
  - All of these area codes are in jeopardy:
  - The California PUC has instituted a lottery to conserve NXXs.
- To date, MediaOne has obtained 26 NXX codes. MediaOne requires 20 additional codes.
- The California PUC denied MediaOne's request for immediate codes, but is revising the existing lottery process.
- The California PUC has filed a petition with the FCC requesting authority to conduct NXX code rationing.

Pacific Bell and GTE have access to a large number of telephone numbers and can offer service to customers in areas where NXX codes are rationed and availability is severely limited.

On the other hand, MediaOne cannot market to some areas because it does not have telephone numbers.

Will The ILEC Provide IntraLATA Long Distance?

- Bell Atlantic is refusing to offer its intraLATA toll service to MediaOne local exchange customers --
  - This is contrary to the provisions of Bell Atlantic's Massachusetts tariff.
  - If a consumer wants Bell Atlantic's intraLATA toll service, the consumer must also take Bell Atlantic's local exchange service.

Bell Atlantic's position not only violates its tariff obligations, but it also discriminates against all non-Bell Atlantic's local exchange customers by denying them the choice of the ILEC's toll service.

Will The ILEC Cooperate In The Cut-Over Of Service?

- When customers change service providers, the transition must be seamless -- that is, their service should not be disrupted.
  - MediaOne's customers have been inconvenienced as a result of:
    - BellSouth discriminatory repair treatment (which resulted in the customer leaving MediaOne and returning to BellSouth).
    - Problems with provisioning orders on Saturday (centers not open or open only for limited hours) -- Bell Atlantic, Pacific Bell and GTE-California.
    - Bell Atlantic failed to include MediaOne's NXX codes in Bell Atlantic's directory assistance database.
    - GTE-California has been slow to correct errors in directory listings.
    - MediaOne's customers have experienced anti-competitive win-back efforts of GTE-California.
    - GTE-California and Bell Atlantic send bills to MediaOne's customers.
    - Bell Atlantic refuses to intercept messages for customers who change to MediaOne service with a new telephone number.

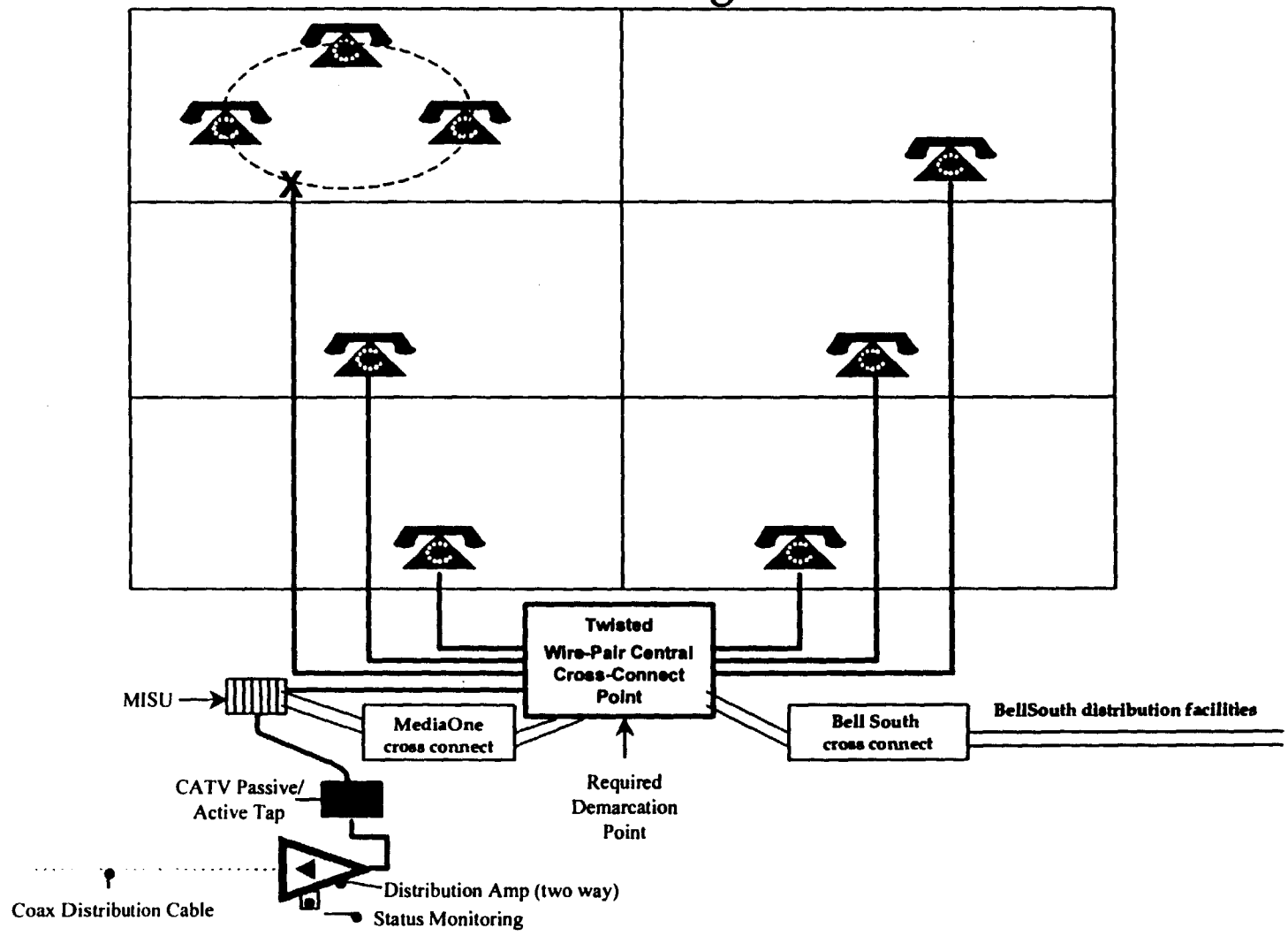
MediaOne has experienced cumulative delays because of discriminatory access to directory assistance, support services and repair. MediaOne's customers have been inconvenienced.

The Customer Lives In A Multiple Dwelling Unit -- Can MediaOne Offer Service? --

- MediaOne must be able to obtain reasonable access to MDU wiring.
- BellSouth has established separate demarcation points at each of the units within the MDUs it serves.
  - BellSouth retains control of the wiring between the individual units and the minimum point of entry.
  - BellSouth has established uneconomic and operationally burdensome methods and procedures.
  - BellSouth will lease additional pairs -- if available.

MediaOne cannot offer service to BellSouth customers in Multiple Dwelling Units.

Multiple Dwelling Unit
Preferred Arrangement



MISU = Multiple Individual Subscriber Unit

Summary

What The ILECs Must Provide To Enable MediaOne To Offer Effective Facilities-Based Competition to Residential Consumers

- Seamless cut-overs for new MediaOne customers.
- Equal access to ILECs' intraLATA toll.
- Equal access to directory assistance, support, services and repair.
- Equal access to ILEC premises wire in apartment buildings.

What The ILECs Must Provide, On A Timely And Reasonable Basis, To Enable MediaOne To Offer Effective Facilities-Based Competition to Residential Consumers

- Interconnection trunks.
- Signaling interface testing
- Number portability
- Access to ILEC intraLATA toll
- Parity of provisioning
- Trouble resolution procedures
- Elimination of duplicate billing
- Elimination of anti-competitive win-back efforts
- Access to MDU wiring

Until the ILECs remove these barriers to entry, local telephone markets will remain closed to competition.